

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6749

BILL NUMBER: SB 285

NOTE PREPARED: Apr 5, 2013

BILL AMENDED: Apr 4, 2013

SUBJECT: Waiver of the Right to Remonstrate Against Annexation.

FIRST AUTHOR: Sen. Buck

FIRST SPONSOR: Rep. Karichoff

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: (Amended) *Annexations Remonstrance Waiver*- The bill provides that if a person waives the person's right to remonstrate against an annexation as part of a contract with a municipality for providing sewer service to the person's property, the release is not binding on a successor in title to the property unless, for sewer contracts executed after June 30, 2013, the successor in title: (1) has actual notice of the waiver; or (2) has constructive notice of the waiver because the contract or a signed memorandum of the contract stating the waiver, has been recorded in the chain of title of the property. (Under current law, the contract containing the waiver must be recorded in order to bind the successors in title of the party to the agreement.)

Property Tax Liability Exemptions- The bill allows municipalities to exempt from property tax liability for municipal purposes, annexed territory that meets the following requirements: (1) The property is classified for zoning purposes as agricultural. (2) The property is contiguous. (3) The owner of the property consents to the annexation.

Effective Date: July 1, 2013.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: *Annexations Remonstrance Waiver*- The bill may reduce remonstrations against annexation after June 30, 2013, in areas where sewer service has been provided, if the successor in title

has actual notice of waiver, or signed memorandum of the contract stating the waiver, to remonstrate or constructive notice of the release due to the contract being entered and recorded in the chain of title of the property.

Explanation of Local Revenues: (Revised) *Property Tax Liability Exemptions*- Under current law, if land that is zoned as agricultural is annexed by either the town of Avon or the town of Plainfield under a consent annexation, then that agriculturally zoned land is exempt from municipal property tax. The exemption remains in effect until the property's classification is changed. If the annexation ordinance was adopted after June 30, 2006, then the exemption is limited to 10 years.

Under this provision, the exemption from municipal property tax would apply to agriculturally zoned land annexed under a consent annexation in all municipalities. The ten year limitation would also be removed by the bill. Each municipality would have the option of annexing property under this statute.

For existing annexations in Avon and Plainfield adopted after June 30, 2006, this provision would extend the life of current exemptions from 10 years to the date the land is rezoned. This provision would eliminate the shift of municipal property taxes to the agriculturally assessed land from all other municipal taxpayers that will occur under current law at the end of the ten year period.

State Agencies Affected:

Local Agencies Affected: Municipalities wishing to annex additional territory.

Information Sources:

Fiscal Analyst: Chris Baker, 317-232-9851; Bob Sigalow, 317-232-9859.